



March 2, 2021

Oregon State Legislature - Senate Committee on Health Care  
900 Court St. NE, Salem, OR 97301

**RE: Opposition to SB457**

Dear Chair Patterson, Vice Chair Knopp and Members of the Senate Committee on Health Care:

Thank you for the opportunity to share Health Share's opposition to SB 457. Health Share is a Coordinated Care Organization serving approximately 380,000 Oregon Health Plan members in Clackamas, Multnomah and Washington Counties. We are here to advocate on behalf of our members, who continue to bear a disproportionate burden of the pandemic's economic and health impact on our state. Our testimony highlights some of the negative consequences that may lead to further harm of our members if this proposal is enacted into law.

First, Health Share is opposed to this bill's efforts to impose a full or partially aligned Preferred Drug List on the OHP population. Before we make decisions that will ultimately restrict a provider's ability to recommend certain medication to OHP members, we need to be sure recommendations are based in evidence, are cost-effective, and help promote equitable outcomes. There is mixed evidence about whether an aligned PDL positively or negatively impacts costs. There are examples in other jurisdictions where this switch was associated with significant increases in pharmaceutical spending. Given we don't know the impact on overall costs, and the inscrutability for CCOs to make global budget decisions in an aligned PDL, we fear this will not serve to enhance health outcomes for low-income Oregonians. Before imposing a daunting requirement like an aligned PDL, we need to be sure we are aware of the potential consequences.

Second, Section 8 of SB 457 has the potential to significantly alter the voting-member composition of the Health Evidence Review Commission (HERC). Equitable, affordable and efficient delivery of care to OHP members is only possible when the Prioritized List undergoes rigorous review from an objective lens. Throughout my professional experience staffing the HERC, I came to find that review based on impartial data was critical to discerning how our State can best offer health care to low-income individuals. The HERC prides itself on being an independent commission; nationally renowned for its transparent, evidence-based processes. Section 8(5) of SB 457 has the potential to dissolve the objective purpose of the HERC. Simply put, it allows for medical experts appointed at the request of an interested outside party to have full voting rights.

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The language of the bill would not only require the HERC to appoint potentially conflicted industry representatives to be voting members of the HERC, but also may force HERC commission members, who, as clinical experts, understand HERC's evidence-based decision-making process and history, to abstain from certain votes. Furthermore, Section 12 of SB457 may open the door for improper influence of industry proponents over HERC's objective assessment of medical studies. Together, both Section 8 and 12 are deeply problematic.

Health Share seeks to look out for the health and wellbeing of its 380,000 members in making advocacy choices. This bill has the potential to harm the infrastructure that was carefully crafted to facilitate an opportunity for OHP members to have an evidence-based benefits package. As a result, Health Share of Oregon opposes SB 457. If you have any further questions, feel free to reach out to Health Share's Director of Public Policy, Yoni Kahn, at [kahn-johnowitz@healthshareoregon.org](mailto:kahn-johnowitz@healthshareoregon.org).

Sincerely,

Cat Livingston, MD, MPH

Medical Director  
Health Share of Oregon